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**Goal: GOVERNMENTAL EXCELLENCE AND EFFECTIVENESS****Department: INTERNAL AUDIT****Program Strategy: OFFICE OF INTERNAL AUDIT**

41501

To improve operational efficiency and cost effectiveness of city services, through independent appraisal, review and measurement of City operations and programs.

**Service Activities**

Office of Internal Audit

**Desired Community Condition**

City services, operations, and finances are measured and audited, as needed, and meet customer needs.

**Strategy Purpose and Description**

The program strategy's purpose is to improve the operational efficiency and cost effectiveness of City services, through independent appraisal, review and measurement of City operations and programs. Service activities center around Performance Audits of the City's departments, programs and contractors. The functions consist of management audits, vendor/contract audits, payroll audits, cash handling audits and management advisory services. The purpose of each of the functions is to improve City operations through feedback and technical assistance. The Office of Internal Audit's customers include the City Council, City Administration, City employees at all levels and the citizens of Albuquerque. The customers have a common need for independent appraisal, review and measurement of City operations and programs.

**Changes and Key Initiatives**

Audits have an increased focus on the City departments' effort toward achieving and measuring their stated objectives and related performance outcomes. End of Audit Survey's are being provided to audited entities to measure their valuation of the audit process and resulting recommendations. Audits of the FY/00 and FY/01 Year End close were completed in FY/02. The Internal Audit Ordinance was amended by O-01-81 to add responsibility for review and reporting on "expenditures and encumbrances at the end of each quarter of each fiscal year for each fund, department and program strategy." Templates for reviewing and reporting quarterly information are being developed.

**Priority Objectives****Fiscal Year      Priority Objectives**

2004      Goal 4 - OBJECTIVE 9. Complete the GEAR improvement process in Parks Management Division by undertaking a pilot managed competition process that compares City maintenance costs and effectiveness for neighborhood parks with private costs and quality. Award the contract to the provider(s) best able to meet community needs at the lowest costs and highest performance ability. Complete the procurement process by the end of the second quarter, FY/04.

**Input Measure (\$000's)**

2001	110	110 GENERAL FUND	783
2002	110	110 GENERAL FUND	753
2003	110	110 GENERAL FUND	794
2004	110	110 GENERAL FUND	748
2005	110	110 GENERAL FUND	862

The FY/03 amount is the actual spent, the FY/04 amount is the estimated actual, and the FY05 amount is proposed.

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Strategy Outcome	Measure	Year	Project	Mid Year	Actual	Notes
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<p><b>Improve the operational efficiency of departments through acceptance of audit recommendations. Operations will be improved if the audited departments and programs accept the recommendations made as valid and useful during the audit process.</b></p>	<p><i>percentage of recommendations accepted by the audited entity or program at the time of the audit</i></p>	2001	tbd		see notes	not tracked during FY2001
		2002	90%	90%	92%	% of recommendations accepted at time of audit
		2003	90%		95%	% of recommendations accepted at time of audit
		2004	90%	96%		% of recommendations accepted at time of audit
<p><b>Improve the operational efficiency of departments through acceptance of audit recommendations. Operations will be improved if the audited departments and programs accept the recommendations made as valid and useful during the audit process.</b></p>	<p><i>percentage of recommendations accepted by the audited entity or program at the time of the audit</i></p>	2005	90%			

<b>Strategy Outcome</b>	<b>Measure</b>	<b>Year</b>	<b>Project</b>	<b>Mid Year</b>	<b>Actual</b>	<b>Notes</b>
<b>Improve the operational efficiency of departments through their implementation of audit recommendations.</b> <b>Follow up reviews are generally conducted six months to a year after audit completion. The departments' efforts to implement recommendations are sometimes hampered by constraints which prevent or delay full implementation.</b>	<i>Percentage of recommendations fully or partially implemented at the time of the follow-up review.</i>	2001	tbd		see notes	<i>FY/01: 57% fully implemented 33% partially implemented</i>
		2002	see notes		see notes	<i>Projected: 75% fully implemtnd, 20% partially implemented Actual: 36% fully implemented, 55% partially implemented</i>
		2003	see notes			<i>Porjected: 75% fully &amp; 20% partially implemented Actual: 29% fully &amp; 43% partailly implemented</i>
		2004	see notes	see notes		<i>Projected: 75% fully impemented, 20% partially implemented Mid-Year Actual: 37% fully implemented, 44% partially implemented</i>
	<i>Percentage of recommendations fully or partially implemented at the time of the follow-up review.</i>	2005	see notes			

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**Goal:** **GOVERNMENTAL EXCELLENCE AND EFFECTIVENESS**

**Parent Program Strategy:** OFFICE OF INTERNAL AUDIT

**Department:** **INTERNAL AUDIT**

**Service Activity:** Office of Internal Audit

**4110000**

***Service Activity Purpose and Description***

The services delivered are Performance Audits of the City's departments, programs and contractors. The functions consist of management audits, vendor/contract audits, payroll audits, cash handling audits and management advisory services. The purpose of each of the functions is to improve City operations through feedback and technical assistance. Management advisory services are also provided at the request of departments. The Office of Internal Audit's customers include the City Council, City Administration, City employees at all levels and the citizens of Albuquerque. The customers have a common need for independent appraisal, review and measurement of City operations and programs.

***Changes and Key Initiatives***

Audits have an increased focus on the City departments' effort toward achieving and measuring their stated objectives and related performance outcomes. End of Audit Surveys are being provided to audited entities to measure their valuation of the audit process and resulting recommendations. The Internal Audit Ordinance was amended by O-01-81 to add responsibility for review and reporting on expenditures and encumbrances at the end of each quarter of each fiscal year for each fund, department and program strategy. Templates are in place for quarterly budget reports.

***Input Measure (\$000's)***

2002	110	110 GENERAL FUND	753
2003	110	110 GENERAL FUND	794
2004	110	110 GENERAL FUND	748
2005	110	110 GENERAL FUND	862

The FY/03 amount is the actual spent, the FY/04 amount is the estimated actual, and the FY05 amount is proposed.

***Strategic Accomplishments***

<b><i>Output Measures</i></b>	<b><i>Year</i></b>	<b><i>Projected</i></b>	<b><i>Mid-Year</i></b>	<b><i>Actual</i></b>	<b><i>Notes</i></b>
Complete Management, Vendor/Contract, Payroll and Cash Handling audits with recommendations for improvement of City operations, programs and contract management.	2001	25 audits		18 audits/7 follow-ups	
	2002	25 audits		18 audits/4 follow-ups	25 audits completed
	2003	25 audits		19 audits/10 follow-ups	audits completed
	2004	20 audits	audits/4 FUF		Audits Completed- audits have become increasingly complex, resulting in less completed but more comprehensive audits
	2005	20 audits			
<b><i>Output Measures</i></b>	<b><i>Year</i></b>	<b><i>Projected</i></b>	<b><i>Mid-Year</i></b>	<b><i>Actual</i></b>	<b><i>Notes</i></b>
Work in partnership with departments by responding to requests for assistance related to compliance with City rules and regulations, process development, process improvement and re-engineering.	2001	establish baseline		60 requests	

2002	60 requests		41 requests recorded	
2003	60 requests		72 requests	requests for assistance
2004	60 requests	38 requests		Requests for assistance from City departmentns, the Administration and City Council
2005	60 requests			

<b>Quality Measures</b>	<b>Year</b>	<b>Projected</b>	<b>Mid-Year</b>	<b>Actual</b>	<b>Notes</b>
Citywide savings and increases to revenues as a percentage of the Office of Internal Audit's costs.	2001	tbd		establish baseline	
	2002	85%			% response that audit added value
	2003	85%	100%	100%	% response that audit added value
	2004	85%	83%		response that audit added value
Citywide savings and increases to revenues as a percentage of the Office of Internal Audit's costs.	2005	85%			

<b>Quality Measures</b>	<b>Year</b>	<b>Projected</b>	<b>Mid-Year</b>	<b>Actual</b>	<b>Notes</b>
Improve the efficiency and effectiveness of departments' operations through value added audit reports and recommendations. End of audit customer surveys will include a question regarding value added by the audit.	2001	200%		343%	
	2002	200%	400%	400%	
	2003	200%		685%	
	2004	200%	not yet calculate		
Improve the efficiency and effectiveness of departments' operations through value added audit reports and recommendations. End of audit customer surveys will include a question regarding value added by the audit.	2005	200%			